



U.S. DEPARTMENT OF ENERGY  
**Office of Energy Assurance**

# **ENERGY ASSURANCE DAILY**

October 4, 2004

## **Highlights/Major Developments**

### **Hurricane Jeanne Information**

- Currently, less than one percent or 21,993 customers in Florida remain without power from Hurricane Jeanne.
- Florida Power and Light reported that the total number of customers restored now stands at 1,727,700. Currently, 9,700 (less than 1%) remain without power. FPL has again accelerated its restoration schedule and now estimates that every customer will be restored no later than Tuesday, 10/5.
- Tampa Electric reported that it has restored power to all of its 285,000 customers who lost power due to Hurricane Jeanne.
- Outages for Florida municipals are at 11,800, while cooperatives report outages of 493 customers.

## **Electricity**

### **Anti-Terrorist Measures Could Result in Higher Bills For Consumers.**

Oklahoma's largest electric utility has proposed additional security measures to protect its grid from a terrorist attack, but the effort could lead to higher bills for some consumers.

Tulsaworld.com, October 1, 2004

<http://www.tulsaworld.com>

### **Klein Urges Power-Grid Task Force**

A Palm Beach County state legislator said last week he will push for a task force to examine just how storm-worthy the state's power grids are. Senate Minority Leader Ron Klein, D-Delray Beach, said the task force would examine questions about system maintenance and whether the state's utilities skimped on repairs in recent years. "I'm not here to say that they did," Klein said during a meeting with The Palm Beach Post editorial board, "but that has to be looked at." Klein also said the task force would discuss whether more of the state's power lines should be running underground.

Palm Beach Post, Energy Central, October 2, 2004

<http://www.energycentral.com/centers/news/daily/article.cfm?aid=5161556>

### **Southern's Ga. Hatch 2 Nuke Exits Work Outage**

Southern Co.'s 936-megawatt Hatch 2 nuclear unit in Georgia exited a work outage and ramped up to 69 percent of capacity by early Monday, the U.S. Nuclear Regulatory Commission said in its power reactor

status report. The unit shut on Sept. 25 for work on a safety relief valve located within the primary containment.

Reuters, October 4, 2004, 0953

### **Entergy's Ark. Arkansas 2 Nuke Exits Outage, Up to Full Power**

Entergy Corp.'s 858-megawatt Arkansas 2 nuclear unit in Arkansas exited a work outage and ramped up to full power by early Monday, the U.S. Nuclear Regulatory Commission said in its power reactor status report. The company shut the unit on about Sept. 28 to repair a small crack in a weld on the non-nuclear side of the plant.

Reuters, October 4, 2004, 0751

### **FPL's Fla. St. Lucie 1 Nuke Exits Outage, Up to 99% Power**

FPL Group Inc.'s 839-megawatt St. Lucie 1 nuclear unit in Florida exited an outage and ramped up to 99 percent of capacity by early Monday, the U.S. Nuclear Regulatory Commission said in its power reactor status report. FPL shut both St. Lucie nukes on Sept. 25 as Hurricane Jeanne approached the plant site. On Sept. 4, FPL shut the station as Hurricane Frances approached. After Frances passed by, units 1 and 2 remained out of service for about 10 and 15 days, respectively.

Reuters, October 4, 2004, 0745

### **ERCOT Real-time Soars to Over \$500; Price May Be Revised**

Texas generators saw real-time prices take a huge late afternoon jump Friday. In early exchanges the Electric Reliability Council of Texas reported real-time prices at a modest \$38.00, but prices then spiked to \$569.00 at 4 p.m. CDT. "A cool front is forecast and a lot of generators may not have bothered to turn their units on. The timing of the front is always uncertain," said a Waco generator. [more](#)

NGI's Power Market Today, October 4, 2004

## **Petroleum**

### **28.25% of Oil Production from Gulf of Mexico is Still Shut-in**

Restoration of the oil production shut in due to Hurricane Ivan is progressing at a very slow pace. The amount shut in has remained about the same for the past two days.

Minerals MS,

<http://www.mms.gov/ooc/press/2004/press1004.htm>

### **Ivan Could Be Costliest Storm Yet for Hard Hit Gulf Producers**

Little progress was made last week in restoring production lost to Hurricane Ivan, which is shaping up as the most expensive blow ever to the Gulf of Mexico oil and gas industry. There are encouraging signs for a near-term return of some lost gas production, though producers say it will take months for a full recovery.

Natural Gas Week, October 4, 2004

### **World Oil Prices Retreat on Easing of Nigeria Tension**

Benchmark world oil prices retreated Monday as the possibility of Nigeria's crude exports being disrupted receded with a government-brokered ceasefire in the restive Niger Delta region. The price retreat occurred despite news that saboteurs again blew up a portion of Iraq's key southern crude pipeline network.

Platts, October 4, 2004

### **Silt not blocking Louisiana port - US Coast Guard**

Silt buildup at a key Louisiana oilfield services port is not dramatic enough to hinder shipping, although authorities are staying vigilant, the U.S. Coast Guard said on Monday. Hurricane Ivan caused about a foot of silt to gather at Port Fourchon, Petty Officer Kyle Niemi said. "But as of right now that has not been identified as a hazard to navigation and the waterway is fully open without restrictions," he said. The Coast

Guard planned a meeting for Tuesday morning to discuss whether dredging is necessary and will continue to monitor the sediment, Niemi said.  
Reuters, October 4, 2004, 1444

### **Russian Sept Oil Output Hits New Post-Soviet High**

Russian oil output hit a new post-Soviet high of 9.42 million barrels per day in September as continued output rises by most companies compensated for flat production at oil major YUKOS. Energy Ministry data showed on Monday that output rose by 50,000 bpd in September from August, continuing an uninterrupted uptrend, which has seen production rise by more than 50 percent since 1999.  
Reuters, October 4, 2004, 0854

## **Natural Gas**

### **About 16% of Daily Production of Natural Gas in Gulf of Mexico is Still Shut-in**

Restoration of the gas production shut in due to Hurricane Ivan is progressing at a slow pace. The amount shut in decreased about 3% over the weekend.  
<http://www.mms.gov/ooc/press/2004/press1004.htm>

### **El Paso's Tennessee Natural Gas Pipeline Back After Ivan**

Tennessee Gas Pipeline Co. said Monday it was able to return its 26-inch line damaged by Hurricane Ivan to service following a force majeure outage. Tennessee said it was accepting nominations and gas flow at meters located between Ship Shoal 198 and Station 523. Ship Shoal 198H and 146A, however, remained shut in. The company did not provide details on how much volume would be restricted. In addition, Tennessee said it was limiting some storage injections at all storage fields until levels were reduced. Also, Tennessee said it will not accept "park agreements" with future month withdrawals, an arrangement where companies pay a fee to store gas for a short period of time. The 14,200-mile Tennessee pipeline extends from Louisiana, the Gulf of Mexico and south Texas to the Northeastern United States, including the key markets of New York and Boston, with a capacity near 6.5 billion cubic feet per day.  
Reuters, October 4, 2004, 1155

### **Gulf of Mexico Destin Gas Line Normal After Ivan**

Destin Pipeline Co. LLC said late Friday its Gulf of Mexico Destin natural gas pipeline had ended a force majeure event and was accepting gas from all receipt points after being shut due to Hurricane Ivan last month. A spokeswoman for majority owner BP Plc was unsure how much total production was shut in daily due to the storm. The line is capable of transporting 1.2 billion cubic feet of gas a day. Due to damage from Hurricane Ivan all offshore production on Destin was shut in on Sept. 13; however, the pipeline continued to receive gas from its onshore interconnects with Petal Gas Storage and the Chandeleur Pipeline.

Reuters, October 4, 2004, 1024

### **BLM Puts Indefinite Hold on Rocky Mountain Front Drilling Project**

The Bureau of Land Management (BLM) over the weekend imposed an "indefinite" moratorium on an environmental review of a potential natural gas drilling site on the Rocky Mountain Front in Montana in response to stiff local opposition, and it plans to re-direct federal funds that were allotted for review of that project to another drilling prospect outside of the Front area where there is "more drilling [activity] and less controversy," said a spokesman for BLM's Montana State Office. ([more](#))  
NGI's Daily Gas Price Index, October 4, 2004

## Other News

Nothing to report.

## Energy Prices

	Latest (10/04/04)	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate US</b> \$/Barrel	49.91	49.56	30.37
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	5.46	5.22	4.34

Source: Reuters

**This Week in Petroleum** from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

*Updated on Wednesdays*

**Weekly Petroleum Status Report** from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

*Updated after 1:00pm (Eastern time) on Wednesdays*

**Natural Gas Weekly Update** from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

*Updated after 2:00 pm (Eastern time) on Thursdays*